

INITIAL STATEMENT OF REASONS

SECTION 2422.1 "PERMIT FEES"

SPECIFIC PURPOSE OF THE REGULATION.

The proposed regulation will allow the Department to recoup its costs to administer the Outdoor Advertising Program. On January 1, 2003, Senate Bill 1480 allowed the Department to recover the costs of providing the service or enforcing the regulations for which the fee is charged, but in no event shall the fee exceed one hundred dollars (\$100).

NECESSITY.

The proposed regulation is necessary to reduce expenses the Department incurs in administering the program. Permit fees are applied to recover money spent on operating costs that the program is charged with which funnels through the state highway account.

TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDY, REPORTS, OR DOCUMENTS.

OUTDOOR ADVERTISING EXPENDITURE REPORT FOR FISCAL YEAR 2004/2005

		OE Total	PS			PS Total	Grand Total
DISTRICT	Data		95 COT	96 TEMP	99 REG		
01	Sum of PY				0.1	0.1	0.1
	Sum of DOLLARS				7,331	7,331	7,331
03	Sum of PY	0.0			0.0	0.0	0.0
	Sum of DOLLARS	14			3,019	3,019	3,033
04	Sum of PY	0.0			0.0	0.0	0.0
	Sum of DOLLARS	122			360	360	482
05	Sum of PY				0.0	0.0	0.0
	Sum of DOLLARS				1,515	1,515	1,515
06	Sum of PY				0.0	0.0	0.0
	Sum of DOLLARS				649	649	649
08	Sum of PY	0.0			0.1	0.1	0.1
	Sum of DOLLARS	403			3,772	3,772	4,175
09	Sum of PY	0.0			0.2	0.2	0.2
	Sum of DOLLARS	1,079			19,275	19,275	20,354
10	Sum of PY	0.0					0.0
	Sum of DOLLARS	615					615
11	Sum of PY				0.0	0.0	0.0
	Sum of DOLLARS				257	257	257
12	Sum of PY				0.0	0.0	0.0
	Sum of DOLLARS				4,005	4,005	4,005
42	Sum of PY	0.0		0.0	1.6	1.6	1.6
	Sum of DOLLARS	38,420		1,118	197,023	198,141	236,561
51	Sum of PY	0.0	0.0	0.8	7.9	8.8	8.8
	Sum of DOLLARS	35,784	264	43,231	702,805	746,300	782,084
Total Sum of PY		0.0	0.0	0.8	9.9	10.7	10.7
Total Sum of DOLLARS		76,437	264	44,349	940,011	984,624	1,061,061

The Department relied upon a technical expenditure report (above) from the prior fiscal year that equates to the revised permit fees. The equation the Department utilized to establish the new permit fee was Personal Services Dollars, Operating Expense Dollars, Legal Fees <less> revenue from application fees and license fees and divided this number by the number of permits that were managed at the end of the 2004/2005 fiscal year.

**REASONABLE ALTERNATIVES TO THE REGULATION AND THE
DEPARTMENT'S REASONS FOR REJECTING THOSE ALTERNATIVES.**

No other alternatives were presented to or considered by the Department.

**REASONABLE ALTERNATIVES TO THE PROPOSED REGULATORY ACTION
THAT WOULD LESSEN ANY ADVERSE IMPACT ON SMALL BUSINESSES.**

The Department has not identified any alternatives that would lessen any adverse impact on small businesses.

**EVIDENCE SUPPORTING FINDING OF NO SIGNIFICANT ADVERSE ECONOMIC
IMPACT ON ANY BUSINESS.**

By instituting the permit fee regulation, the Department is merely recapturing the expenses in operating the program.